

## Audit Committee Meeting

Date of Meeting	Tuesday 8 October 2019
Paper Title	Institutional Efficiency Returns
Agenda Item	16
Paper Number	AC1-N
Responsible Officer	Jim Godfrey, Finance & Resources Director
Recommended Status	Disclosable
Action	For Noting

### 1. Report Purpose

- 1.1. The purpose of this report is to provide an update in respect of the process for demonstrating institutional efficiency.

### 2. Recommendations

- 2.1. The Committee is invited to **note** the returns submitted by the three colleges in Glasgow.

### 3. Report

- 3.1. On 20 May 2019, the Scottish Funding Council issued a 'Call for Information' in respect of [Institutional Efficiency](#). This document outlines a request for institutions to detail their contribution to the Scottish Government's efficiency objectives. The key elements of the SFC publication were reported to the previous meeting of this Committee.
- 3.2. Colleges were required to supply their individual returns to GCRB by 19 August 2019 to enable the consolidated return to be sent to SFC by the deadline of 6 September 2019. The individual college returns are attached as annexes to this report.
- 3.3. There is a possibility that Audit Scotland will want to review this information, so it is important that the evidence being held at each institution is appropriate for audit purposes. SFC recommends that institutions use appropriate internal management, and governance arrangements, to ensure the robustness of the efficiency information by including a review of the underlying processes within the scope of the Audit Committee's remit.

### 4. Risk Analysis

- 4.1. The achievement of annual efficiencies presents a challenge to the financial sustainability of the assigned colleges in the Glasgow region.

**5. Equalities Implications**

**5.1.** There are no equalities implications arising from this report.

**6. Legal Implications**

**6.1.** No legal implications are identified.

**7. Resource Implications**

**7.1.** There are no direct financial implications of this report.

**7.2.** The expectation of Scottish Ministers that public bodies deliver at least 3% per annum is challenging. The compound effect of cumulative efficiencies means that the total scale of the efficiency is significant. In addition, it becomes more difficult to achieve efficiency gains over time as the easiest gains have been realised in previous years.

**8. Strategic Plan Implications**

**8.1.** The Glasgow Region Strategic Plan for College Education specifies that resources will be used efficiently. The demonstrable achievement of the efficiency is welcomed, however, the cumulative level of efficiencies is very challenging indeed.